Wishful thinking or wise policy? Theorising tourism-led inclusive growth: supply chains and host communities.

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ABSTRACT

Tourism is perceived as driving economic growth for developing countries by generating employment, income and government revenue. In debates over the relationship between economic growth and poverty alleviation, the inclusive growth paradigm emerged in World Bank, OECD and other development publications, becoming a UN Sustainable Development Goal (SDG 8). However, inclusive growth remains highly contested, and specifically, tourism's role in economic growth has been little discussed. This paper contributes to the debate by interrogating tourism-led inclusive growth using evidence from developing economies in South-East Asia, a region with booming international tourism. It raises the fundamental question whether tourism-led growth can be inclusive in the short- to medium-term, drawing on evidence from fieldwork in Malaysia, Vietnam, Indonesia and Myanmar. Fieldwork utilised a rapid rural appraisal approach using qualitative methods, mainly semi-structured interviews.

Although tourism can generate employment overall, this can be precarious and poorly paid, limiting opportunities for poverty alleviation. Tourism-led growth may widen inequalities in host communities and weaken backward linkages to the local economy, despite its potential for strengthening such linkages to food and non-food sectors. Remoteness and transportation also weaken such linkages. Low-income households and locally owned businesses are most affected by the construction of large-scale tourism projects – which although increasing overall tourist arrivals and expenditure - can result in the loss of land, business premises and livelihoods.

In addition, privileging large capital, foreign firms and crony conglomerates is a regional trend and a major obstacle for tourism-led inclusive growth policy. Ownership patterns and destination governance also play critical roles in defining a destination's direction/pace of development, steering it towards or away from tourism-led inclusive growth. Given tourism's significance for many developing countries, the paper contributes to wider debates over inclusive growth both for theorising, and in its policy relevance for national development strategies and poverty alleviation.

Key words: inclusive growth; tourism development; poverty alleviation; economic linkages; South-East Asia

INTRODUCTION

The inclusive growth concept remains contested within the international development discourse despite its continuing deployment by international organisations such as the World Bank, Asian Development Bank (ADB), Organisation for Economic Cooperation and Development (OECD), Asia-Pacific Economic Cooperation (APEC), Association of South-East Asian Nations (ASEAN) and the Commonwealth Secretariat (Saad-Filho, 2010; Bakker, 2018). Similarly, the use of tourism to drive economic development, especially in developing countries, has been challenged and debated since at least the 1970s, and continues to be (see Scheyvens, 2011; Holden, 2013; Bianchi, 2018).

While there is a growing literature on inclusive growth generally and on specific sector-led inclusive growth, there is less literature on tourism (Bakker and Messerli, 2017). This paper analyses tourism-led inclusive growth is South-East Asia - a major tourist destination region, hosting 128.7 million international arrivals in 2018 and benefiting from over US $142.3 billion in tourist expenditure (UNWTO, 2019). This paper draws on empirical evidence from fieldwork conducted in Myanmar, Vietnam, Indonesia and Malaysia in coastal and island destinations primarily, and addresses the question of whether tourism has led to inclusive growth by examining the economic growth and its distribution at destination level. The principal themes used to examine growth and distribution include supply chain, ownership and employment. The fieldwork was qualitative using semi-structured interviews to capture evidence from tourism business owners and managers (predominantly accommodation and food and beverage), local employees and regional and local tourism organisations. The size of the businesses involved in the studies ranged from local small and medium sized enterprises (SMEs) to multi-national corporations in destinations of varying size, tourist markets, tourist infrastructure, location in relation to the core business and political hubs, and development paths. Indonesia and Malaysia case studies include Gili Trawangan (near Lombok), and Mabul and the Perhentian islands respectively, and provide evidence from coastal destinations with significant experience of welcoming tourists (over 50 years), whereas Vietnam (Ha Long Bay) and Myanmar (Ngapali Beach) have relatively less tourism industry experience in comparison. Vietnam's economic reforms in the mid 1980s (Doi Moi) to a socialist market economy encouraged tourism development, however 'mass' tourism development along coastal areas (Danang, Ha Long Bay for example) began in the mid 2000s and continues to date. Myanmar's coast remains under-developed and reflects the country's very recent emergence from decades of economic and political isolation. Ngapali Beach in Rakhine State is the location of research and is the only established and marketed coastal destination that attracts both domestic and international visitors.

The paper first examines what inclusive growth is and the extant literature. Next, the article briefly sets out the context for international tourism[1] development in South-East Asia and the methodology deployed, before the main section that discusses key aspects of tourism-led inclusive growth drawing upon new research and other evidence from across the region. The main aspects identified as affecting tourism are supply chain and economic linkages; ownership and economic leakages; employment; tourist expenditure; and then lastly, institutions and the role of the state. The final section concludes the paper and argues that the tourism-led inclusive growth paradigm is highly problematic in the short- to medium-term as opportunities to economic growth remains stubbornly limited.

The paper contributes to the emerging debate on inclusive growth and tourism by contributing towards its further theorisation, and then specifically, considering new evidence to fundamentally question whether or not inclusive growth can be of overall economic benefit for communities hosting international tourism in low-to-middle income countries in South-East Asia and elsewhere.

WHAT IS INCLUSIVE GROWTH?

The inclusive growth paradigm was discussed and published in refereed articles as early as 1995 (see Paus, 1995 on El Salvador); however, it only re-emerged in academic literature in 2004 (see Lin 2004 on Asia), and the number of publications has since increased significantly (Gupta and Ros-Tonen, 2015). This is attributed to the legacy of twentieth century thinking of how development and economic growth was clearly defined in stages that led to rising incomes, living standards and welfare (such as Rostow's Stages of Growth model, 1960). The evidence from developing countries shows this is not the case, with the poorest quartile of society remaining in poverty, even during periods of rapid growth, and an unequal distribution of benefits from the 'trickle-down effect' leading to stagnant or rising inequality. This was not how it was supposed to operate as predicted by the models. As a consequence, around the beginning of the twenty-first century, a new framework for development and poverty reduction was promoted that considered 'growth, poverty and inequality reduction [as] instrumental to each other' (Ranieri and Ramos, 2013: 2). Thus, inclusive growth was conceptualised as targeting those experiencing poverty in absolute terms, by broadening the distribution of income and wealth via productive employment and business and other opportunities in non-resource sectors especially (World Bank, 2009 :4). These sectors including tourism, require greater human resources with a multi-skilled workforce, thereby offering greater distribution of opportunities for sustained employment, rising incomes and economic growth that steadily reduce poverty and inequality.

Alongside other economic approaches that also sit within the sustainable development framework (the Green and Blue economies, for example), development agencies adopted inclusive growth as a 'key driver of economic development' (see World Bank report on East Asia, 2018; ADB Strategy 2020, 2008, for example), and many governments are reforming their policies and embedding inclusive economic growth therein (Gupta and Ros-Tonen,

2015) - India's 11th (2007-2012) and 12th (2012-2017) Five Year Plans are notable examples. As with the overarching sustainable development framework, inclusive growth requires a long-term approach to implementing, monitoring and measuring the outcomes of regional agendas, national strategies or local plans for inclusive growth. Although there is no agreed definition for inclusive growth, numerous contributions from various disciplines have been published which are discussed now to collectively direct us to a sense of meaning.

International institutions and the academic community have published reviews and working papers to 'operationalise' the inclusive growth concept by developing and refining analytical tools that are applied to the macroeconomic environment of individual or multiple nations. These include: firstly, frameworks that help governments manage structural issues (Kireyev and Chen, 2017) or implement multi-sector reform (World Economic Forum, 2017) to make progress in and between growth, reduced poverty and inequality; secondly, criteria and indicators to measure the progress of economic growth and social inclusiveness at country level, using a diagnostic matrix (Ali and Son, 2007; McKinley, 2010); and thirdly, critical discussions about inclusive growth as a key strategic development outcome, as well as clarifying its meaning.

The terminology used to define inclusive growth is similar and offers a collective sense of meaning: to broaden access, rights and participation of the majority of a population to equally prosper from, and contribute to, economic growth through productive employment and rising incomes and living standards. It is understood that poverty and inequality are 'critical dimensions' (Sen, 2014:142) within which well-being (Klasen, 2010), human capabilities (McKinley, 2010), individual effort, access to opportunity (Ali and Zhuang, 2007) and social protection (McKinley, 2010), are instrumental measures of income, and signifiers of inclusive growth. It is also accepted that these dimensions or indicators rely on stable operational, structural and political environments to produce the desired outcomes.

Kireyev and Chen's (2017: 6) working paper on growth inclusiveness suggests governments should manage different policy areas as interconnected, rather than separate entities, to be able to manage structural issues and "[quantify] the interaction between growth and poverty and growth and inequality". Continuing on the theme of policy interconnectedness, the World Economic Forum (2017) refers to a 'policy and institutional ecosystem that underpins inclusive growth' and suggests structural economic reform is essential to achieving this.

The literature reviewed so far emphasises macro-level analysis of indicators or dimensions that measure growth at a country-level and across multiple policy areas as quantifiable outcomes. Before considering tourism and inclusive growth in the context of multiple destinations in South-East Asia, it is important to note the broader nuances and arguments currently levelled at inclusive growth in the current global socio-economic climate.

First, the definition and application of inclusive growth is nuanced and a reflection of its wide application, theoretically and practically, across multiple disciplines and institutions. As such a blurring between inclusive *development* and inclusive *growth* is evident in policy frameworks (ADB and African Development Bank, for instance) with the inclusion of non-income-based, social indicators. The terms inclusive growth and inclusive development in these instances appear to be used interchangeably or as complimentary approaches to reflect the socio-economic realities of a region or country. With reference to the ADB's inclusive growth agenda, McKinley (2010) notes that it "can be interpreted narrowly or broadly" (p1). Where focus is placed on economic growth, a narrow definition is applicable. Here human capabilities "are instruments to accelerate economic growth" (p1) only, as the indicators used to measure growth are typically demand-led and focused on employment, income and distribution. The broader definition places greater value on non-income measures (health, education, for example) that examine the supply side to establish whether (a) basic human capabilities are evident to allow for social inclusion, and (b) other (non-basic) capabilities exist that would lead to productive outcomes i.e. employment. This singular example of blurring the definition and application of inclusive growth and development is indicative perhaps of an evolving concept being influenced by the multiple interests and differing priorities of international organisations, the academic community and governments.

Second, the global adoption of inclusive growth in policy and economic development strategies at the regional and country level, has come at a time of major economic, financial and social change which is propelling debates around its efficacy. Both Stiglitz (2016) and Gupta and Ros-Tonen (2015:40) agree that inclusive growth is "rewriting the rules of the market economy" but note that it cannot "deal with the challenges of inclusive growth" as a purely economic approach (referred to as a 'narrow' (McKinley, 2010) or 'minimalist' (Gupta and Ros-Tonen, 2015) interpretation). Stiglitz (2016:699) comments that the global financial sector has been "doing too much of what it shouldn't be doing (creating risk, manipulating markets)" by supporting those who Felipe (2012:57) believes "might feel threatened by improvements in the financial system". Those improvements under an inclusive growth framework may enable credit to flow to those with good ideas to drive innovation and entrepreneurship, support intermediation and involve society at every income level; thus widening and diversifying the economy. This approach clearly argues against the perceived excessive power and risk-taking of the de-regulated global financial sector.

Third, and with reference to the previous point, the opportunity for inclusive innovation (George et al., 2012) and entrepreneurship (Hall et al., 2012) in developing economies, and particularly in resource-poor or constrained areas, can lead to undesirable outcomes or behaviour. For example, financial capital generally and microfinance more specifically cannot singularly achieve inclusive innovation. According to Karnari (2007 cited in George et al., 2012) microfinance could encourage consumption rather than investing in new ideas or saving, and thus lead to increased poverty. George et al. (2012) note there is a crucial gap in knowledge about "the ex post impact of adoption on wellbeing" (p671) which could explain how financial products are used, and what factors might lead to unproductive outcomes. Hall et al. (2012) note, using three case studies from Brazil, the Base of Pyramid communities do not always lead to productive outcomes, particularly when the policy focus is on raising economic performance indicators, without consideration for existing or future societal and individual impacts. Hall et al. (2012) call for socially inclusive and community-based entrepreneurship models where local innovation and knowledge-building can be employed, and 'the pace of economic development' restrained (p803).

Further, and recognising the significant reduction in global poverty rates from rapid economic growth (Sen, 2014), the concurrent rise in disparity between the rich and poor with increasing inequality globally (Hakimian, 2013) has generated opposing populist movements, which some consider the inclusive growth agenda to be part of, rather than serious long-term economic policy reform. The degrowth agenda according to Brad, Boos and Brad (2017:36) "reorient[s] societies against the imperative of capitalist growth" and it could be argued that inclusive economic growth is an attempt, through global policy intervention, to realign or restrain capitalist growth. On the other hand, Mawdsley (2017:112) argues that "poverty reduction is being de-centred" with the "return of growth as the central analytic of 'development'". She makes a link to the 'warming over' of modernisation type approaches and the continuing rise of private sector involvement and its subsidisation (see Acemoglu and Robinson, 2012 on institutions for growth and development, for example). Although poverty reduction over the past two decades has been rapid, and is a central tenet of inclusive growth, the drivers behind that are not necessarily the same as those required to maintain longer term reductions (Sen, 2014), particularly with rising inequality. Management theories - as exemplified by George et al. (2012) and Hall et al. (2012) in the preceding paragraph- could be applied here to understand how business, government and resource-poor communities are organised, and what impact different partnerships have on reducing inequality through inclusive growth.

For the purposes of this paper, inclusive growth is used here as being confined to economic growth and income-based indicators, thereby following the narrow interpretation referred to by McKinley (2010). This is to avoid contributing to a blurring between inclusive growth and inclusive *development.* There is not one single definition that suits this paper, but rather a merger of two succinct statements: “Inclusive growth is about widening the size of the economy and not about redistributing existing resources” (Bakker and Messerli, 2017:386), and if sustained, inclusive growth “will ensure poverty reduction as well as a reduction in inequality” (Sen, 2014:136).

Inclusive growth and tourism

International tourism typically concerns travel for vacation or leisure purposes, accounting for around 55% of the total international arrivals in 2017, although there are other components such as visiting friends and relatives, health/wellness, religious pilgrimages (27%), and business and professional travel (13%) (UNWTO, 2018:3). For the leisure travel segment, a holiday is a fixed product that can only be experienced and consumed at the point of production, rather than the point of sale. This sectoral characteristic of tourism as a service has enabled many governments to develop their national and regional economy and experience rising employment (both direct and indirect) from tourism with some level of assurance. Furthermore, global trade agreements, tariffs, barriers and sanctions that can impact some of the poorest nations, have a limited impact on tourism flows, as the most expensive components of holiday expenditure (transport and accommodation) are paid at the point of departure, and so the tourist – the mobile consumer - is not restricted to travel in the same way as physical goods. The opportunities to develop sub-sector economies around tourism are therefore evident and could contribute in principle towards tourism-led inclusive growth. The reality of course, is far less clear.

There is limited academic literature on this specific topic, with few published journal articles: one paper provides an overview of tourism and inclusive growth versus Pro-Poor Growth (Bakker & Messerli, 2017), a second suggests a growth diagnostic framework (Bakker, 2018). A handful of other papers evaluate this at a case study level (Hampton, Jeyacheya and Long (2017) in Vietnam; Butler and Rogerson (2016) in South Africa; Hampton and Jeyacheya in Indonesia (2015), Jones (2013) in Nepal); and Hampton and Jeyacheya's book (2013) applies inclusive growth to Small Island Developing States (SIDS). The research indicates *if* development is following an inclusive growth 'trajectory' (for example, Butler and Rogerson, 2016), or not (Hampton et al., 2017), but it cannot offer more than that. They are snapshots and generally lack analysis of how the economic impacts of tourism at destination level may change over time and for different groups (for instance, such as tourism SMEs verses larger companies, or for low income households). As such these case studies, while a useful starting point, cannot collectively confirm "the role of tourism as a driver of inclusive growth" (Bakker and Messerli, 2017:389). The case studies do indicate however, how the different political and economic backgrounds of the destinations in South-East Asia, are influencing and facilitating inclusive economic growth. This indicates what role tourism plays in driving inclusive economic growth, but within a limited geographic region, albeit one with a significant development role played by international tourism.

However, the missing temporal element from single case study work is addressed in an explicitly longitudinal study of a destination, Gili Trawangan island in Indonesia, by Hampton and Jeyacheya (2015) published in this journal. Unlike the studies mentioned above, it offers a valuable further insight into the changing dynamics of tourism development over a significant time period, and the ‘internal and external constraints’ (George et al., 2012: 679) that restrict or liberate aspects of tourism-led inclusive growth. This paper contributes by emphasising the role of differential access to power, the key role of the local political economy in how tourism has developed over time, and changing ownership patterns as the destination grew.

Although guidance from international organisations and banks on sector-driven and micro-level inclusive growth is limited (Bakker and Messerli, 2017:388), this seems to be changing with a range of reports on tourism and inclusive growth published more recently. UNCTAD reported on tourism and inclusive growth in Africa (2017) with a focus on backwards linkages between tourism and agriculture, and the role of infrastructure. The AfDB (2016) also published in its annual continent-wide report urging for more policies for inclusive tourism growth, including visa openness. APEC (2016) somewhat blurs Pro Poor Tourism (PPT) with inclusive growth for the region but does focus on micro-, small- and medium-sized tourism enterprises and the challenge of foreign firms crowding them out. Furthermore, evidence of tourism-led inclusive growth projects is growing in the region through development bank loans, for example: ADB’s Greater Mekong Subregion Economic Cooperation Program (Cambodia, Laos, Myanmar, China, Thailand and Vietnam) includes multiple development projects including Tourism Infrastructure for Inclusive Growth. The outcomes expect to achieve an increase in “cross-border tourism receipts [that] benefit people living in underdeveloped segments of the Greater Mekong Subregion [GMS] economic corridors” by improving transport and environmental infrastructure and associated services, and building tourism destination management capacity (ADB, 2018).

A final noteworthy publication on inclusive tourism development is by Scheyvens and Biddulph (2018) and it is the first academic paper to divert the discussion towards the alternative to inclusive growth. Here the authors argue that inclusive growth supports the neoliberal agenda with the emphasis on the economy as central to development – a similar view to Mawdsley (2012). This paper discusses the effects of neoliberalism on the growing privatised and enclavic models of international tourism, particularly in developing countries, and is a useful reference point.

TOURISM DEVELOPMENT IN SOUTH-EAST ASIA

South-East Asia is a major location of international tourism. In 2018 the region saw international tourist arrivals exceed 128.7 million arrivals with tourist expenditure accounting for over US $142.3 billion (UNWTO, 2019). Consequently, the overall socio-economic impact of tourism is highly significant for many countries in South-East Asia, contributing more than 20% to GDP in Cambodia and Thailand, and over 10 % of employment (direct and indirect) in Malaysia, the Philippines and Laos (WTTC Country Reports, 2019). For South-East Asia overall, the WTTC Region Report (2018) noted a total contribution to employment at 11.8% or 36,309,000 jobs in 2017, and to GDP at 12%, with expected rises to 13.7% and 13% respectively, by 2028 (WTTC, 2018:1). However, it must be noted that tourism activities are very unevenly distributed across the region both spatially (tourism is typically spatially concentrated at the coast and islands as well as in major cities and heritage attractions) as well as in its varying socio-economic impacts in destinations. Furthermore, the tourism industry (or group of industries to be precise) is also differentiated by scale, scope and forms of activities ranging from small-scale simple beach accommodation for backpackers through to large, multi-million dollar integrated resorts operated by hotel transnational corporation (TNCs).

The developing countries in South-East Asia have all embedded tourism in economic and social development policy to some degree since the late 1960s (exemplified by Thailand as an early adopter), with then further expansion in the 1970s and 1980s (Malaysia, Indonesia) and then in the 1990s it was associated with political and / or economic reform and liberalisation (for instance, Laos and Vietnam). Therefore, the chronology of tourism development in the region varies somewhat by country. The mature tourist economies of Thailand and Indonesia were established from the early 1970s onwards with large, capital-intensive mass tourism resorts and enclaves such as Nusa Dua in Bali and Pattaya, Thailand (Wong, 1999). These modern resorts were seen as a key part in a strategic view of international tourism as a driver of the national economy. World Bank loans and early investment from major foreign investors resulted in mass tourist infrastructure with increased capacity. This state-led development and interest in service-sector focussed growth was a significant change from tourism's early development which was broadly unplanned and had emerged in the 1960s. This 'bottom up', ad hoc response arose to serve independent travellers (such as 'hippy' overlanders) and US armed forces personnel on short 'R & R' breaks in the region during the Vietnam war. Military leisure spend was an unintended consequence of the war, but became a key component of early tourist resort development with significant local expenditure and employment creation initially in new coastal resorts such as Pattaya, Thailand. In 1966 and 1967 US service personnel alone accounted for over 14% of Thailand's tourists (Suntikul, 2013) with direct spending and income multiplier effects also experienced at other resorts in the region such as Penang, Malaysia and Kuta beach, Bali. International tourism continued to grow in South-East Asia through the 1980s and 1990s with further investment from government in tourist infrastructure (especially airports, roads and resort infrastructure including electricity, water and sewage). This was then followed by investment from hotel TNCs and resort operators with sizeable new resort projects as exemplified by the Bintan island development, Indonesia, that covers more than 100 kilometres of beach and presently has seven major hotels and a planned new international airport due to open in 2020 (Bunnell et al., 2006, *Jakarta Post*, 2017).

Other countries in the region developed international tourism more recently. For example, the Communist 'transition' economies of Laos, Cambodia and Vietnam are emerging destinations that developed from the 1990s following economic liberalisation and opening up to world markets and inward foreign direct investment (FDI). While tourism growth is unevenly distributed, with mature destinations such as Thailand attracting 38.3 million international tourists in 2018 but neighbouring Cambodia having 6.2 million tourists, the rate of growth for Cambodia is from a low base and has roughly doubled from 2.5 million arrivals in 2010 (UNWTO, 2019). Similar rapid growth in tourist arrivals can be seen in Myanmar (formerly Burma), a country in very early stages of development and reform. Over a period of five years, tourist arrivals accelerated from 800,000 in 2010 to over 4.7 million in 2015[2] (MOHT, 2015).

Table 1. Key indicators selected ASEAN countries, 2018.

	GDP per capita US $ (2017)[a]	International arrivals (millions) (2018)	International tourism receipts (US $ millions) (2018)	Tourism contribution to GDP (%) (2018)	Total Employment in tourism (direct and indirect, %) (2018)
Cambodia	1,384	6.2	4.3	32.8	31.6
Indonesia	3,847	13.4	14.1	6.0	10.3
Laos	2,457	3.7	0.7	12.0	10.5
Malaysia	9,945	25.8	19.1	13.3	11.9
Myanmar	1,299	3.5	1.9[b]	6.8	5.9
Philippines	2,989	7.1	7.5	24.7	26.4
Singapore	57,714	14.7	20.5	10.0	8.8
Thailand	6,594	38.3	63.1	21.6	15.9
Timor-Leste	2,279	0.07	0.7[b]	n/a	n/a
Vietnam	2,343	15.5	10.1	9.2	7.4

Sources: WTTC Economic Impact Reports 2019; UNWTO, 2019; World Bank data

Notes:

a. In current US $
b. 2017 data

The data in Table 1 demonstrates that tourism is a crucial economic and social development tool for South-East Asia, and as such the industry is recognised for its potential in leading an inclusive growth agenda in the region. This is demonstrated most recently with the language of inclusive growth embedded in cross-border and national economic development programmes (ADB's Greater Mekong projects, for example), and exemplified in outcomes from official regional meetings and summits - ASEAN Tourism Ministers Annual Meeting (January 2018) and APEC Tourism Minsters meeting (June 2018), are two recent examples (ASEAN, 2018; APEC 2018).

METHODOLOGY

This paper draws from a range of studies and specifically, fieldwork in different parts of South-East Asia that took place between 2006 and 2015. Fieldwork took place in four countries (mainly Malaysia, Indonesia, Vietnam and Myanmar, with a shorter research trip to Thailand[3]). The majority were coastal and island destinations (given the spatial concentration of tourism at the littoral), but some urban areas were also visited (e.g. Bangkok, Kuala Lumpur, Ho Chi Minh City). In terms of time scale, fieldwork periods were relatively short, often around 2-3 weeks and were undertaken broadly within a rapid rural appraisal approach, with intense periods of fieldwork with the authors working as part of a small team to collect as much data as possible subject to time and budget constraints. The challenges and limitations of this type of approach were recognised (especially the risk of obtaining only a partial understanding of complex issues: see Newing, 2011), but it was considered to be the most effective way to listen to, and understand, 'local voices' (Chambers, 1983; Ellis and Sheridan, 2014).

The common methodology employed in all of our studies was qualitative in approach utilising semi-structured, in-depth interview techniques. These were typically recorded digitally, although in some cases, notes were taken as the primary means of documenting participants' responses. The majority of respondents gave consent to be digitally recorded, but in some destinations concerns over sensitive matters meant that interview notes were taken in field notebooks instead. In terms of positionality of the researchers, it was recognised that the authors were 'outsiders' and non-local. This was approached by working with local academics to help us reflect in more depth on the context as well as the emerging qualitative data. In some fieldwork destinations, the research team included local academics. In other sites, suitably experienced local research assistants (typically with a Masters qualification and familiar with tourism development) were employed not only to help with translation of interview material, but also – given the importance of reflexivity in field research (Cupples and Kindon, 2014) - to contribute in post-interview team reflection over the themes emerging from the interview series.[4]

All fieldwork conformed to the university's ethical procedures, and informed consent was obtained from every respondent. The average duration of each interview was between 30 minutes to one hour, and they were mainly conducted at the workplace of the individual.[5] Over 220 interviews were undertaken in total (n= 227, comprising n= 138 in Malaysia; n=36 in Indonesia; n=29 in Vietnam; n=18 in Myanmar; n=6 in Thailand). The participants approached for interview, and sometimes arranged in advance, included government ministers and local tourism and other officials, owners and managers of local SMEs both directly and indirectly involved in tourism (cafes, accommodation, shops, tour operators/travel agents, dive and boat operators etc.), low to medium skilled tourism workers and local community heads and residents. The latter were typically identified and approached using the snowballing technique (chain referrals). Interviews were written up in MS Word and coded according to emerging themes, with some use of NVivo software but the majority of interview data was manually coded.

TOURISM LED-INCLUSIVE GROWTH IN SOUTH-EAST ASIA

This section offers evidence from various South-East Asian coastal and island destinations to further our consideration of inclusive growth and tourism. To help conceptualise tourism-led inclusive growth, it discusses five main aspects that highlight the key issues surrounding tourism impacts in host economies: supply chain and economic linkages; ownership and economic leakages; employment; tourist expenditure; and finally, institutions and the role of the state. These five areas are the most promising lines of enquiry to begin to test whether or not the inclusive growth concept can deliver on its promise for effective local economic development, and crucially, for whom.

Given the characteristics of the tourism industry, its extensive supply chain and associated economic linkages require investigation particularly over the creation of backward linkages to agriculture and fisheries, and also to other non-food sectors such as furniture, bedroom fittings, textiles etc. as these could generate significant benefits. Similarly, the question of ownership, whether local or outside the host area, and associated issues of economic leakage, focuses our attention on who is benefiting from ownership of tourist assets in the destination. Tourism is a labour-intensive industry, and so focussing on employment also addresses this point over who exactly benefits from this economic activity, as does beginning to examine tourist expenditure patterns in the destination. Finally, the wider institutional context is discussed, and the role of the state where, despite official policy support for local 'sustainable' development, there is the repeated privileging of large-scale resort developments over small-scale or locally owned tourism businesses.

Supply chain and economic linkages.

A typical tourist destination relies on a complex interconnected network of suppliers and producers to accommodate, cater, entertain, transport and serve the tourists during their stay.

The tourism supply chain is therefore extensive and can stimulate backwards economic linkages (and forward linkages to a lesser extent) with direct and indirect tourism businesses (see McEwen and Bennett's (2010) report on the Seychelles' tourism value chain). If tourism can generate inclusive growth, the area of supply chain and economic linkages would be a helpful indicator to begin testing the concept. If so, we would expect to see strong backward linkages from tourism for instance.

In terms of direct backwards linkages, fieldwork showed that small to medium-sized accommodation, and food and beverage businesses sourced significantly more from local producers than the large national businesses and tourism TNCs. This is partly explained by economies of scale that are skewed in destinations with a mix of tourism businesses (size and ownership) and so the largest providers, typically hotels, rely on an extended supply chain. Large scale resorts that specialise in 'all-inclusive' packages providing all meals (food and beverages) for guests typically have very poor backwards linkages to the local economy and may source from national or even international supply chains. This was seen in Bintan island resort, Indonesia, for instance. Our research found that small destinations with large-scale tourism development, and in some cases, a higher ratio of tourists to residents, could not realistically meet the demand specifically for fresh vegetables and fruit, dairy produce and other perishable foodstuffs unless a thorough destination impact assessment considered building capacity and infrastructure. That said, overall, coastal and island destinations showed strong backward linkages to the local fishing industry in particular, with local fisherfolk able to supply both small and medium sized businesses. Part of the attraction of visiting a coastal destination for many is to eat fresh seafood, therefore the trend to support local fishing businesses is not unusual.

In Ha Long Bay, Vietnam, for example, high end restaurants and small, locally patronised restaurants sourced most fresh fish from the local market, using national suppliers for speciality fish only. This was not the case for farming communities who lived near to tourist destinations. A number of obstacles excluded farmers from benefiting from similar business transactions due to financial, operational and infrastructural shortfalls. For small to medium sized fresh produce businesses in Ngapali Beach in Myanmar, for example, there was a lack of chill-chain trucks, no suitable storage facilities and a slow, underdeveloped road transport network. This challenge affected all accommodation and catering businesses regardless of size, but those further away from central commercial hub (Yangon, in this case) were most disadvantaged. The additional expense to replace damaged and lost produce, and the necessity of using expensive air freight for perishable and delicate supplies to expedite delivery resulted in a threefold increase in cost per kilogramme of produce. More recently, the journey time between Ngapali Beach and Yangon by road has reduced to 10 hours (V. Bowman, Director of Myanmar Centre for Responsible Business, personal communication, October 31, 2018), but this still remains a significant challenge for tourist businesses. At the resort itself, a new tarmac road was constructed between the airport and Ngapali Beach in 2013, and this connected local producers and suppliers to the central market in Thandwe town throughout the year. This then stimulated the existing local supply chain and particularly backward linkages to mainly creative businesses such as handicrafts, art, souvenirs, furniture and clothing/textiles. Six hotels participating in the research, for example, sourced all or most furniture from local carpenters who used timber sourced from suppliers in Yangon. The pace of tourism development in Ngapali Beach is steady, and if it remains so, there is an opportunity for local backward linkages to increase and possibly diversify to include non-food sectors.

From our research more broadly, the economic linkages in the destinations tended to be stronger in poorer and marginalised communities in comparison to those closer to the wealthier central administrative regions; however, as a destination developed to maximise tourist capacity, the dynamics appeared to shift away from local production. In Vietnam the impact of the GMS project on the local redevelopment of Ha Long Bay, a UNESCO World Heritage Site, although indirect at the time of field work, was extending the supply chain with international and exclusive brands (hotels, boutiques, restaurants) to attract high-spend tourists. Furthermore, the new tourist centre developed some kilometres from the established tourist hub and closer to the new highway between Hanoi and Hai Phong (part of the Eastern Corridor GMS project), will effectively remove opportunities for existing SMEs to compete against the growing number of sizeable multi-million dollar developments led by Vietnamese conglomerate firms (Hampton et al., 2017). Owners of large businesses who took part in the research stated that the opportunity to extend the supply chain and source directly from Hanoi will become an option for many businesses, and particularly the high-end accommodation and retail sectors. This in turn is likely to affect the established businesses located in the existing tourism hub and potentially reduce the size and scope of the local economy. Further to this, local tourism officials revealed that the impact of the new highway from Hanoi would reduce travel time to Ha Long Bay by around 50% and would encourage more international hotel brands to set up operations. The logic appeared to be that increasing the hotel offer (both expanded room capacity and a wider range of facilities) would attract further overnight stays and expenditure in the new tourism hub. However, conversely, the reduced travel time from the capital city could also shorten visits to just day trips or overnights boat trips, as Hanoi becomes a more realistic base from which to visit the surrounding attractions, including Ha Long Bay.

In this case, and that of other rapidly developing or redeveloping destinations with plans to increase capacity for tourist activities and maximise visitor numbers and expenditure, the likelihood of crowding out local linkages increases as local supply cannot meet the demand nor does not suit the new destination image and target market. In these cases, tourism development does not contribute to inclusive growth through strengthening local and regional supply chains; rather it weakens and fragments them. The emphasis on large-scale development that often exceeds the destination's carrying capacity, and on investing in direct tourism infrastructure (larger airports, ports, resorts) rather on indirect linkages to the supply chain initiates a development path away from sustainable and inclusive growth. Ngapali Beach in Myanmar, represents a helpful case study where the pace of growth and development is slower and more importantly, not (yet) challenged by government policy-driven objectives that simply prioritise rapid economic growth. From this we can infer that supply chain and economic linkages are a central aspect concerning inclusive growth, with potential for beneficial backward linkages. However, we can note the changing dynamic linked to the scale (and type) of business operations, and the risks of crowding out. In addition, transportation (especially of perishables), and destination remoteness can be significant obstacles to local economies fully capturing the economic benefits.

Ownership and economic leakages.

Ownership and its associated economic leakages (especially of profits) are a second major area to test the inclusive growth concept. We would expect that, all things being equal, the ownership of tourism assets should benefit the destination communities if local inclusive growth is working as theorised.

Bakker and Messerli (2017: 389) argued that "the tourism sector should be developed by the private sector while the government plays a facilitating role offering complementary investments that could also benefit other sectors". This however assumes the private tourism sector and the government operate in a symbiotic and inclusive fashion. It does not necessarily consider the challenges for some countries, and in particular island economies, where competition is great and can lead to “a harmful race to the bottom” as nations compete for private sector FDI (Corthay and Loeprick, 2010:3).

The impact on the host communities in popular coastal and island destinations, with the allure of large direct investment from national business and tourism TNCs, includes land confiscation, eviction from properties and closure or relocation of businesses. A longitudinal study of Gili Trawangan island near Lombok, Indonesia - that suffered a series of earthquakes in the region (Surana, 2018) - provides evidence of a gradual erosion of property ownership and land rights from local residents as the island developed from a small backpacker and dive destination in the 1990s to a popular beach destination in 2018. Hampton and Jeyacheya’s (2015) paper on power and ownership illustrated a sequence where local ownership was gradually replaced by new ownership by regional elites from nearby Bali, then elites from Jakarta and increasing joint ventures with owners from developed economies in Europe and Australasia. As ownership shifted, tourist expenditure fell at local businesses including small accommodation providers, with new, capital-intensive and high-end boutique hotels offering a more all-inclusive package. This impacted on local businesses such as dive shop owners who earn additional income from renting dive equipment, and dive boat operators (who were typically former fisherfolk). As these activities changed over time from locally sourced to in-house operations, economic linkages were increasingly limited as was the means for small businesses to operate.

Research evidence from interviews in Ha Long Bay, Vietnam - although at a very different stage of tourism development to Gili Trawangan - demonstrated a similar trend of declining ownership and rights of local residents, and particularly those situated in the low-income bracket, tourism entrepreneurs and small businesses, as large-scale investment and development took hold.

Evidence from our fieldwork in South-East Asia and elsewhere identified destination areas as benefiting from positive local economic impacts; however, there was typically increasing economic leakage[6] (especially of profits) to other parts of the country, or overseas in the majority of cases. Studies in other developing countries have also suggested economic leakage averaging 40-50% of gross tourism revenue (UNCTAD, 2010) commonly associated with foreign owned hotels, whereas this can be significantly higher, around an estimated 75-78% if both the hotel and airline are foreign owned. High leakage of a similar order of magnitude has also been observed in tourism-dependent SIDS given the high proportion of imported goods (Meyer, 2006), with Pattullo (1996) reporting an average for Caribbean economies of around 70% economic leakages. Scale and ownership are also notable factors in terms of economic leakages, and findings from South-East Asia region suggested that small, locally-owned businesses such as guest houses or backpacker accommodation or restaurants also had significantly lower economic leakage reinforcing the findings of Scheyvens (2002).

Our research shows that in destinations that saw the privileging of large-scale tourism resorts over locally-owned tourism SMEs, the smaller businesses risked being crowded out, both in economic terms, and sometimes literally with land grabs and dispossession. For our discussion of inclusive growth, it can be inferred that - despite their lower economic leakages than larger business (often owned by national elites or foreign owned) – the smaller, locally owned businesses were more compatible with inclusive growth in the destination. This finding is supported by research by Wattanakuljarus and Coxhead (2008) and Blake et al. (2008) who through equilibrium modelling in Thailand and Brazil, found that although tourism contributed to economic growth, the distribution of growth had shifted and benefited middle- and higher-income households more than the lower-income households. Poverty alleviation is a central tenet of inclusive growth and the fieldwork suggested that concerning ownership and economic leakages, tourism-led growth (particularly if driven by large scale resort developments) may in fact exacerbate local poverty rather than alleviate it.

Employment.

Another area of inquiry where inclusive growth can be considered is employment. We would expect to see employment generation in the host destination area. Tourism is noted as a labour-intensive industry that currently employs 1 in 10 people globally (UNWTO, 2018); however, behind these aggregate figures, the nature of employment in this service sector is contested as a means to alleviate poverty and distribute growth more equitably. Furthermore and contrary to the UN Sustainable Development Goal (SDG) 8 to promote "sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" (https://sustainabledevelopment.un.org/sdg8), Lee et al. (2015) comment on growing labour precarity rather than job security particularly with low skilled employment. Other studies also support this assertion and have revealed how hotel workers especially, in developing countries experience low pay, irregular work patterns and long hours; typically this impacts negatively on women (who make up much of the tourism workforce at this level) (Edralin, 2014). This according to Edralin, undermines the notion of 'decent work for all'. Nonetheless, SDG 8 is identified by the UNWTO as a goal that tourism can contribute to significantly by 2030 because overall tourism can generate significant direct and indirect employment in the host economy, especially in the case of large hotels and resorts that have high bed: staff ratios. In many destinations, tourism is seen as positive overall; however, despite generating employment, evidence from fieldwork in islands offshore from peninsula Malaysia demonstrates the impact of seasonality on tourism workers in small island communities who have to revert to their subsistence or alternative livelihoods during the off-peak season such as water taxi boatmen needing to work elsewhere in the region (for instance see Hamzah and Hampton, 2013). In other Malaysian and Indonesia tourist islands, staff working in large hotels were sourced more widely and commuted to the islands by boat.

In contrast, the small resort of Ngapali Beach in Myanmar showed signs of tourism-led inclusive economic growth by addressing the impact of weather-related seasonality on employee wages. Interviewees from the accommodation sector were employed in jobs that ranged from low-skilled to professional level, and in hotels that ranged from small, boutique to large hotel resorts (the first TNC hotel was preparing to open during the research visit in 2014). There was an informal agreement among hoteliers to pay a reduced salary to their employees when the hotels are closed during the monsoon season. This amount was 50% of their normal salary and was sufficient to maintain a reasonable standard of living in the closed season. For the managers, this retainer fee guaranteed some level of loyalty from the staff and maintained low employee turnover. In this particular case, the benefits to the Ngapali community meant families could buy land and a house rather than renting a room.

When tourism employment is examined at the destination or resort level, employment in this sector is not necessarily widely accessible for local people from the host community. There is some variation in opportunities available. For instance, although low skilled work in tourism can be widely available (such as cleaners, gardening and grounds maintenance, hotel security, kitchen porters, bell staff), higher skilled and better paid work can attract outsiders who may be more skilled and/or more highly educated. Further, the most highly skilled and paid positions such as executive chef or general manager may be filled by extremely mobile expatriates.

Although low skilled work is typically sourced from the local area, in Ha Long Bay, local high-end restauranteurs applied a policy of only employing non-locals with limited skills and experience, and where in-house training would facilitate loyal and focused staff.

Further variance in employment possibilities are evident for ethnic groups as well. In Malaysia for example, the preferential treatment bestowed on Malays over other ethnic groups such as Chinese and Indian Malaysians, is common in many aspects of society and business such as limited access to higher education or preferential financial loans, and business connections. Similar exclusionary policies or non-policies pertaining to employment and business opportunities apply to ethnic groups in Myanmar, Vietnam and Indonesia.
It could be argued that these examples just represent specific destinations that might not be fully representative of the global tourism industry, and that such specificities between countries and regions are not comparable. However, increasing labour precarity in tourism as well as hospitality and catering is more commonly associated with larger than smaller businesses, rather than regional differences. Further, Quilan (2015:49) reporting on non-standard employment globally found increasing use of triangular employment with TNCs, where "20 per cent of the [tourism and hospitality] workforce" is located, rather than identifying specific countries or destinations. Therefore, we can infer that these case studies, while snapshots, reflect a broader trend in tourism employment of increasing precarity through low pay, long and irregular working hours, limited training provision and limited union representation. For tourism to result in inclusive growth it would need to reverse this trend. One possible mitigation could be that 'localization' is formally written into the contract stage with international hotels to ensure that decent, local employment is a priority.

Tourist expenditure.

Tourist expenditure at the destination is another key economic impact that can be examined as we consider the inclusive growth concept. If economic growth from tourism is indeed inclusive, we would expect to see tourist expenditure patterns that benefit the local economy. However, the level of expenditure, and its impact on local businesses varies enormously and is influenced both by the type of tourism development and the form that tourist markets take; for example Blake et al.'s (2008) study of Brazil showed that foreign tourist expenditure was weighted towards accommodation while domestic tourists tended to spend more on regular services such as transport, activities and sport. Similarly, Wattanakuljarus and Coxhead's (2008) study of Thailand supported this view finding that domestic tourists spent more locally and more widely than international tourists. This difference in spending can be associated to the purpose of visit however, where further studies have shown domestic tourists are more likely to stay with friends and relatives, thereby resulting in the expenditure on accommodation being shifted into food and other tourist activities (Singh, 2009).

Tourist expenditure at a destination is also determined by the type of holiday purchased. There is increasing demand for all-inclusive and packaged holidays in response to the global economic downturn, the observable trend for a holiday 'experience' and the growing appetite for international travel from the expanding middle classes of emerging economies such as China and India. This form of mass tourism promotes capital-intensive, FDI-led tourism development that can challenge the opportunity for inclusive economic growth for a number of reasons. The very nature of an all-inclusive holiday and a reason for its popularity, ensures there is minimal tourist spend (and minimal interaction with local businesses and people) outside the hotel perimeter (Ambrosie, 2015). This finding was seen in several resorts we studied during fieldwork in Malaysian and Indonesian islands where 'all-inclusive' tourism was resulting in negligible expenditure outside of the resort's walls. Correspondingly, there were very weak economic linkages too as noted earlier. A recent study of tour operators and the role of geography and place in marketing and selling holidays, revealed that place (the destination) was not the primary selling point over the hotel and guest experience (Wall-Renius et al. 2017). If mass tourism simply results in minimal actual tourist expenditure in the destinations themselves, this could have serious implications for achieving inclusive growth, particularly in developing countries that are striving to grow their international tourist numbers.

In Ha Long Bay, a manager of the tourism department reported that the "[tourist] *contribution is low. Daily spend per person is only* [US] *32 dollars per day*"; and although there is a desire to increase this, it is difficult to see how this might be achieved. The primary activity in the area is a scenic boat trip lasting a few hours or overnight. Tourist expenditure is predominantly upon the boat fee, entrance to attractions in the bay, and food and drink consumed on board. As part of the re-development plans for Ha Long Bay, the harbour along with the night market and main tourist hub are all being relocated some kilometres from the existing sites and businesses; thus decreasing the opportunity for tourist spend further.

Inclusive growth is the preferred policy approach taken by most low-to-middle income countries (Gupta and Ros-Tonen, 2015:42) and tourism spend at the destination is a crucial source of income for local businesses. However, our fieldwork suggested that the form and scale of tourism (whether mass tourism or smaller-scale or more specialist such as high-end ecotourism) was an important factor in the impact of tourist expenditure in the destination. For growth to be inclusive, expenditure would need to be captured more effectively in the local economy.

Institutions and the role of the state.

Finally, the wider institutional context and role of the state need consideration for potential inclusive growth. Tourism needs to operate in a free market economy to accommodate future growth in international visitors; however, the role of the state and the institutions governing the industry need to regulate and manage that growth beyond the short- and medium-term. What we find in South-East Asia is the role of the state acting as facilitator or enabler and planner of tourism development at the national level. There was an observable trend of the state tending to privilege large capital, foreign firms and crony conglomerates over smaller businesses and local entrepreneurs. There was also a particular rhetoric of ‘sustainable’ and ‘inclusive growth’ that was visible in official tourism policies and master plans, but the actual implementation of such objectives in practice was far less apparent. This disconnect between rhetoric and practice in the destinations was a familiar experience for respondents in Vietnam and Myanmar particularly. This suggests that those benefiting from knowledge of future plans and procurement opportunities in tourism development at the destination level are exclusive to select individuals and businesses, resulting in unbalanced distribution of economic growth and limited opportunities for low and middle income groups to contribute to that growth.

A further but related trend noted in the region, despite the different political economies of the various countries, was the tightly controlled management of tourism institutions by the state and the relative freedom of the privileged few to capitalise on development opportunities. Inclusive growth policy needs to be agile, according to Bakker and Messerli (2017:389) “to benefit the full spectrum of participants”, but what is evident thus far is a rigid, top-down system of planning and development that benefits disproportionately a very narrow and select group of participants. ‘Having a good relationship with the government’ was a sentiment repeated across the breadth of tourism stakeholders in Ha Long Bay, all of whom were not well enough connected to the Communist Party to gain any advantage with planned developments. Vulnerable tourism workers such as the small souvenir traders were most disadvantaged and seemed to live for hope, rather than any more concrete assurances of a future livelihood.

In Myanmar, the political economy is vastly different with a new democratic government and the military holding key state positions after 50 or so years of self-imposed political and economic isolation. The role of the state and the institutions rely heavily on foreign expertise in policy, planning and development, as well as investment, to modernise the country and tourism economy (Clifton et al. 2018), but the role and influence of FDI in Myanmar's (economic and political) development may well "undermine the ability of [the country] to regulate" (Stiglitz, 2016: 706). With this in mind, the direction for tourism development as noted in Myanmar's Responsible Tourism Policy (2013), identifies the ground rules for growth as being anchored in sustainability and the promotion of inclusive growth. However, over the course of the past five year (2013-2018), the evidence shows a contrary scenario is emerging, with the cronies and foreign investors privileged over the smaller, less influential stakeholders, and plans to develop large-scale, mass tourism coastal resorts for international visitors (as noted earlier) and to legalise gambling to develop casino resorts for the Chinese market (Aung, 2018). This resembles Ha Long Bay's development where the gamble to build large casino complexes specifically to attract the Chinese market has not seemed to pay off as geopolitics over island sovereignty in the South China Sea, resulted in no demand. The casino complexes at the time of research (2015) were unfinished and abandoned. Inclusive growth should create a fairer economy "reducing the scope for inequality-increasing rent seeking at the top" (Stiglitz, 2016:702), but the current role of the state is seemingly promoting the latter –a trend noted across much of South-East Asia. This raises a serious question over the potential for inclusive growth for host communities from tourism.

To summarise this section and before moving to the conclusion, a comparison between the four destinations at country level and then destination level is drawn in Table 2 to frame the main challenges and successes for achieving inclusive-led tourism growth in South East Asia. Structural conditions, policy choices and government priorities guide the comparison at national level and destination governance, destination planning and destination supply chains guide the comparison at destination level. These criteria are guided by Bowman (2013: 119) whose comparative chapter between Argentina and Brazil is a valuable reference point for academics and tourism policy-makers.

Table 2: Country and Destination Level Comparative Review of Tourism Governance, Policy and Planning.

	Indonesia	Malaysia	Vietnam	Myanmar
Tourism Industry Status	• Established	• Established	• Establishing	• Emerging
Structural Conditions & Competencies	• Crony capitalism. • Bureaucratic challenges • Variable knowledge base • Weak coordination between key ministries.	• Some political patronage. • Increasing knowledge base. • Variable coordination between ministries	• Powerful conglomerates. • Political patronage. • Limited knowledge base. • Weak coordination between key ministries.	• Powerful conglomerates. • Crony capitalism. Limited knowledge base. • Weak coordination between key ministries
Policy Choices & Direction	• Limited innovation • National strategy for new regional tourist destinations	• Promoting innovation • Policy of exclusion (ethnicities)	• Limited innovation • Focus on developing mass tourism destinations • Limited competitive advantage over established neighbours • Non-policy of exclusion (low income groups)	• Foreign-led expertise guiding policy & development. • Focused policy direction (responsible & community initiated) • Non-policy of exclusion (ethnicities)
Government Priorities	• Preferential treatment of well-connected groups.	• Preferential treatment of select ethnic groups	• Preferential treatment of well-connected groups..	• Preferential treatment of well-connected groups.

	• Economic development focus • Privileging large capital	(business, loans & finance)	• Privileging large capital and foreign firms • Limited human capital & HRD	• Privileging crony conglomerates and foreign firms • Limited human capital & HRD
Destination Case Study Comparison				
Destination Governance	• Powerful regional authorities. • Weak / delegitimised local governance	• Increasingly effective destination management	• Conflicting & powerful interests between tourism, conservation and coal mining activity etc.	• Powerful, unknown investors & speculators. • Strong local tourism business ethos.
Destination Planning	• Unplanned • Exclusionary • Unbalanced Tourist: Resident ratio	• Increasing destination planning at state levels	• Guided by 'off the shelf' destination master plan. • Focus on high-end tourist market • Exclusionary	• Unplanned • Peripheral destination • Balanced Tourist: Resident ratio.
Destination Supply Chain	• Relies on extended supply chain to meet demand (island-specific challenges)	• Relies on extended supply chain to meet demand (island-specific challenges)	• Relies mainly on extended supply chain to service high-end clients. • Local supply chain diminishes in line with new development.	• Local supply chain for non-food items is inclusive and effective. • Strong community bond is supporting inclusive tourism growth.

CONCLUSIONS

The inclusive growth paradigm has been increasingly deployed by many international development agencies including the World Bank, OECD and others since around 2007, although it remains contested. It is acknowledged that inclusive growth is a noteworthy attempt to reconceptualise how the benefits from economic growth can be more equitably distributed within an economy, however, the inclusive growth notion faces some significant challenges in being applied to the tourism sector in developing economies. Tourism remains of great significance for many developing countries and conventional wisdom continues to perceive it as being of overall economic benefit for the generation of much-needed employment, local income and government revenues. Therefore, interrogating inclusive growth in relation to this key sector is timely and arguably highly necessary in both the theoretical and applied policy arenas. Drawing upon new research and other evidence from across South-East Asia, the paper raises a number of salient points that contribute to a greater understanding of whether tourism-led inclusive growth is a wise, and indeed a practical policy decision for developing countries, or whether it is simply wishful thinking.

First, tourism-led growth can weaken economic linkages to the local economy despite the clear potential for strengthening backward linkages to local fishing especially, and agriculture to a lesser extent. Non-food areas such as furniture, linen, kitchen equipment, and room furnishings are also areas with potential for economic linkages. Linkages also tended to be stronger in poorer and marginalised communities compared with those located closer to central administrative centres.

Second, the regional trend for large-scale development and redevelopment can rapidly increase tourist arrivals and overall expenditure, but also creates the opportunity for the crowding out of locally-owned businesses. Low-income household and SMEs businesses are most affected by such development through loss of ownership and rights to land and declining profits. The influence of large-scale developments, as well as increasing FDI, seems to be influencing the opportunities for growth towards exclusive growth. This raises a question about the fundamental viability of policy that is ostensibly designed for poverty alleviation.

Third, the paper has argued that tourism-led inclusive growth can generate significantly increased local employment effects (particularly with larger businesses) but the evidence also points to the low levels of quality, pay and security in many jobs available to local people. This reflects a broader trend in tourism employment globally of increasing labour precarity and the rise of so called ‘triangular’ employment, particularly evident in larger businesses and TNCs. Tourism employment in developing countries appears to be a double-edged sword and our findings suggest it is likely to contribute somewhat marginally to inclusive growth. This point alone appears to challenge the assumptions that aggregate national-level employment generation by tourism is of overall benefit to the host developing country. This aspect would benefit from further field research in other developing tourist-dependent regions.

Finally, the regional trend for privileging large capital, foreign firms and cronies while maintaining a tightly controlled, top-down style of governance is a major hurdle for broadening the distribution of growth and opportunity. The incentives and avenues for monetary and non-monetary support are simply not available to the majority of local people in a destination. It remains unclear how tourism can lead to inclusive growth when its foundations are so exclusionary and seem to in fact widen inequalities in its host communities. Although inclusive growth remains a popular concept in the policy community, serious practical challenges remain in the short- to medium-term for the tourism industry and host communities in developing economies.

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NOTES.

[1] Domestic tourism's role in economic development has often been overlooked by developing country governments and academics. However, for large developing countries such as China, India or Indonesia, domestic tourism could have the potential for poverty alleviation and inclusive growth (Singh, 2009). Due to space constraints this lies outside this paper.

[2] Myanmar's international arrivals data need treating with caution as according to the country's Ministry of Tourism around 72% were land arrivals across new border crossings with Thailand. The majority of these arrivals stay less than 24 hours and would not qualify as tourists under current UN World Tourism Organisation definitions (Clifton et al. 2018).

[3] Fieldwork took place in Malaysia in 2006, 2007, 2008 and 2009; in Indonesia in 2007 and 2011; Thailand in 2006; Myanmar in 2014; and Vietnam in 2006 and 2015.

[4] Where local academics or suitably qualified research assistants were unavailable, translators were employed for interviews taking place in local languages. In such cases, other tourism experts in government, NGOs or other sectors were consulted for informal feedback and input for the fieldwork. Some of these conversations resulted in extra interviews, others were used for background to increase the authors' understanding of that particular destination.

[5] In some cases - for instance in both Vietnam and Myanmar – some respondents were uncomfortable being interviewed in their workplace or government office and requested the interview be held in a local tea shop or other informal venue for additional privacy.

[6] There is no internationally accepted definition of economic leakage but this paper uses UNCTAD's definition (2010:9 "Leakage is the process whereby part of the foreign exchange earnings generated by tourism, rather than reaching or remaining in tourist-receiving countries, is either retained by tourist-generating countries or other foreign firms."